



## ACCELERATOR FOCUS ON RETAIL

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While a lot has changed in the retail industry in recent years, one thing that hasn't changed is the challenges small businesses face when transitioning to mass-marketers of their products through national retailers. That's where accelerators come in. Accelerators in general are a relatively new concept that teach start-up companies how to advance their business and avoid the many pitfalls that small businesses face. Typically lasting three to six months, these accelerator programs are akin to entrepreneurial summer camps—without the s'mores. Some of them are primarily web-based.

Accelerator programs are located all over the country in retail and tech hot spots such as San Francisco, Seattle, Austin, Dallas, Minneapolis, Chicago, Boston, and New York City. These programs, however, are highly competitive, often with hundreds of applicants for 10 to 20 spots. But those selected receive benefits such as startup grants, retail space, introductions to clients, and mentoring in financing, business-model development, and intellectual property. The success rate for accelerator-program alumni is comparatively high as well. The Techstars Accelerator reports that of the 799 companies that it has funded, 79% are still active, 11% had been acquired, while just under 10% had failed.<sup>1</sup>

Some accelerators focus specifically on the retail industry. For instance, Target recently launched its own accelerator program to help early-stage startups. Another is RetailXelerator,<sup>2</sup> a “scaleup” accelerator that readies startups for second-stage

growth (“at scale”), by bridging the gap between these fledgling businesses and major retailers. Like accelerators aimed at early-stage startups, RetailXelerator provides workshops and coaching in a 12-week virtual “retail graduate school” program. But RetailXelerator is unique, however, in that it concludes with in-person pitch meetings between the startups in the program and major retailers, such as Walmart, Amazon, Sears, and more. The first RetailXelerator class concentrates on retailers with an interest in Smart Home products, and future classes will represent a wide range of retail product categories.

The real genius of these retail accelerator programs is their focus on advanced retail technologies. By immersing startups in innovative technologies, these newcomers have a higher chance of success once they enter the market. They also have a chance to change and improve the overall retail landscape. Many accelerators encourage incorporating technology—such as [radio frequency identification](#) and [mobile analytics](#) to better customize customer experiences. Accelerators are changing the odds for startups, helping them break into competitive retail markets, while also creating better retail experiences for retail customers everywhere.

1. Techstars Delivers the Best Results, Techstars, <http://www.techstars.com/companies/> (last visited July 20, 2016).

2. Robins Kaplan LLP is a capability partner of RetailX and provided the legal curriculum in the inaugural program.

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